

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1146	Date: DECEMBER 29, 2006
	Change Request 5486

Subject: Payment by DME MACs and DMERCs for the Administration of Part D Vaccines

I. SUMMARY OF CHANGES: This CR implements the payment policy for the administration of Part D-covered vaccines furnished by Medicare-enrolled pharmacies.

New / Revised Material

Effective Date: January 1, 2007

Implementation Date: January 29, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 1146	Date: December 29, 2006	Change Request: 5486
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SUBJECT: Payment by DME MACs and DMERCs for the Administration of Part D Vaccines

Effective Date: January 1, 2007

Implementation Date: January 29, 2007

I. GENERAL INFORMATION

A. Background: Section 202(b) of the Tax Relief and Health Care Act of 2006 (TRHCA) establishes a permanent policy for, and resolves any potential ambiguity about, payment for administration of Part D-covered vaccines beginning with 2008. Effective January 1, 2008, the administration of a Part D-covered vaccine is included in the definition of “covered Part D drug” under the Part D statute. Section 202(a) of TRHCA provides for a transition policy, in effect for 2007 only, which permits payment under Part B for administration of a Part D-covered vaccine.

Specifically, § 202(a) of TRHCA requires that, during 2007, payment be made under Part B for the administration of a covered Part D vaccine “as if it were the administration of a vaccine described in section 1861(s)(10)(B) [hepatitis B vaccine.]”

Payment for administration of a hepatitis B vaccine requires application of Part B coinsurance and deductible and involves other statutory requirements such as assignment. Thus, such requirements shall also apply, during 2007, to payment for administration of a Part D-covered vaccine. Moreover, payment under Part B for administration of a Part D-covered vaccine is available only if the Medicare beneficiary is enrolled in a Part D Prescription Drug Plan and only if the Part D-covered vaccine is furnished to the beneficiary.

CMS has created a G code (G0377: *Administration of vaccine for Part D drug*) to be used for the administration of Part D-covered vaccines in 2007. The Part B allowed charge for G0377, effective for 2007, is \$19.33. Thus, the Medicare payment would be 80% of that amount or \$15.46, assuming the beneficiary’s Part B deductible is met. The beneficiary would pay \$3.87 as a coinsurance payment, plus any Part B deductible payment that may be due.

This payment policy was implemented via Change Request 5459 for services furnished by physicians and other practitioners. This CR implements the payment policy with respect to payment for administration of Part D-covered vaccines furnished by Medicare-enrolled pharmacies.

Neither this CR nor CR 5459 addresses payment for a Part D-covered vaccine itself. Payment for Part D-covered vaccines is made solely by participating Part D Prescription Drug Plans.

B. Policy: Payment under Medicare Part B may be made to a pharmacy for the administration of a Part D-covered vaccine furnished to a Medicare beneficiary during 2007, provided that on the date of service the pharmacy is enrolled as such with the National Supplier Clearinghouse and that the beneficiary is enrolled in Medicare Part D.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	D M E R C	R H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
5486.1	Durable Medical Equipment Medicare Administrative Contractors (DME MACs), DME Regional Carriers (DMERCs) and the shared systems shall recognize G0377 effective for dates of service January 1, 2007 – December 31, 2007.		X			X				X	X	
54861.1	The allowed charge for Code G0377 is \$19.33 with no variation. Co-pay and deductible apply.		X			X						
5486.2	Contractors shall allow payment only on claims where the pharmacy is enrolled with the National Supplier Clearinghouse (NSC) on the date of service.		X			X				X		
5486.2.1	Contractors shall deny claims where the supplier is not enrolled with the NSC on the date of service.		X			X				X		
5486.3	Contractors shall only allow claims that have been billed with Indicator 05 - Pharmacy.		X			X				X		
5486.3.1	Contractors shall deny any claim that is not submitted with Indicator 05 - Pharmacy.		X			X				X		
5486.4	Contractors shall ensure that pharmacies accept assignment for claims associated with the administration of a Part D vaccine.		X			X						
5486.4.1	If a pharmacy submits a claim for G0377 as unassigned, the shared systems shall process that claim as though it were assigned.									X		
5486.4.2	Contractors shall deny claims submitted by a beneficiary for Code G0377.		X			X				X		
5486.5	Contractors shall allow claims submitted in the ANSI 837 format or on the CMS 1500 paper form.		X			X				X		

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R C	R H I	Shared-System Maintainers				OTHER
		M A C	M A C					F I S S	M C S	V M S	C W F	
5486.5.1.	Contractors shall reject any claim that is not submitted in either the ANSI 837 format or on the CMS 1500 paper form.		X			X				X		
5486.6	Contractors shall process claims for G0377 if the Place of Service (POS) is indicated as either home or pharmacy.		X			X				X		
5486.6.1	Contractors shall deny a claim for G0377 if the POS is not indicated as either home or pharmacy.		X			X				X		
5486.7	CWF shall use Category 60 (DME MAC/DMERC Submitted) for claims submitted to the DME MAC or DMERC for Code G0377.										X	
5486.8	Contractors shall apply beneficiaries’ coinsurance and deductibles for claims for G0377.		X			X				X		
5486.8.1	Contractors shall by-pass any applicable CWF error code in order to allow for co-pay and deductible.		X			X					X	
5486.9	Contractors shall require that pharmacies retain in their records the physician orders/prescription of record for claims associated with the administration a Part D vaccine											PSCs
5486.10	Contractors shall hold claims for G0377 until system changes are implemented.		X			X						
5486.10.1	When releasing held claims for payment, apply any applicable interest. (Because the payment will be delayed due to a CMS processing delay, this requirement will not be subject to contractor performance evaluations for claims processing timeliness.)		X			X						
5486.11	Contractors shall make payment for HCPCS code G0377, even though an associated drug code is not present on the claim.		X			X				X		
5486.12	Contractors shall use existing MSN and remit messages for claims associated with the administration of a vaccine.		X			X						
5486.13	Contractors shall return/reject claims for the administration of a Part D vaccine with dates		X			X						

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R C	R H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
	of service after December 31, 2007.											

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R C	R H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
5486.14	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.		X			X						

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requireme nt Number	Recommendations or other supporting information:

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

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VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. For Medicare Administrative Contractors (MAC), use only one of the following statements:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.